

AMENDED IN SENATE MAY 5, 2003

AMENDED IN SENATE APRIL 21, 2003

**SENATE BILL**

**No. 770**

**Introduced by Senator Chesbro**

February 21, 2003

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~~An act to add and repeal Section 2826.7 of the Public Utilities Code, relating to electricity. An act relating to electricity.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 770, as amended, Chesbro. Pacific Union College Facility: *electric service reliability.*

(1) Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities ~~and is required to establish requirements for the administration of power purchase contracts between, including electrical corporations and private energy producers.~~

~~This bill would, until January 1, 2009, authorize Pacific Union College to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electric grid by a cogeneration facility located at Pacific Union College in Angwin, California (the Pacific Union College Facility), and the bill would require the commission to adopt a rate tariff for the benefiting account require the commission to require Pacific Gas & Electric Company to perform a reliability study on the electric service provided to the Pacific Union College and surrounding areas. The bill would require the commission, if it determines, based on that study, that the electric service quality fails to meet existing service quality standards, to order the company to make timely and appropriate system upgrades. Because a violation of the~~

~~Public Utilities Act, a filed tariff, or an order of the commission is a crime under existing law, the bill would impose a state-mandated local program by creating a new crime. The bill would declare that, due to the special circumstances applicable only to the Pacific Union College Facility, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.~~

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1.—Section 2826.7 is added to the Public Utilities~~  
2     ~~Code, to read:~~  
3     ~~2826.7.—(a) As used in this section, the following terms have~~  
4     ~~the following meanings:~~  
5     ~~(1) “Benefiting account” means an electricity account, or~~  
6     ~~more than one account, mutually agreed upon by Pacific Gas and~~  
7     ~~Electric Company and Pacific Union College.~~  
8     ~~(2) “Bill credit” means credits calculated based upon the~~  
9     ~~electricity generation component of the rate schedule applicable to~~  
10    ~~a benefiting account, as applied to the net metered quantities of~~  
11    ~~electricity.~~  
12    ~~(3) “Pacific Union College Facility” means the combined heat~~  
13    ~~and power cogeneration facility located at Pacific Union College~~  
14    ~~in Angwin, California, that supplies up to 4.5 megawatts, using~~  
15    ~~natural gas, steam and solar, to the electric grid owned by Pacific~~  
16    ~~Gas and Electric Company.~~  
17    ~~(4) “Net metered” means the electricity output from the~~  
18    ~~Pacific Union College Facility in the excess of that required by the~~  
19    ~~Pacific Union College.~~  
20    ~~(b) Pacific Union College may elect to designate a benefiting~~  
21    ~~account, or more than one account, to receive bill credit for the~~

1 electricity generated by the Pacific Union College Facility, if all  
2 of the following conditions are met:

3 (1) A benefiting account receives service under a time-of-use  
4 rate schedule.

5 (2) The electricity output of the Pacific Union College Facility  
6 is metered for time-of-use to allow allocation of each bill credit to  
7 correspond to the time-of-use period of a benefiting account.

8 (3) All costs associated with the metering requirements of  
9 paragraphs (1) and (2) are the responsibility of Pacific Union  
10 College.

11 (4) All electricity delivered to the electric grid by the Pacific  
12 Union College Facility is the property of Pacific Gas and Electric  
13 Company.

14 (5) The Pacific Union College Facility does not sell electricity  
15 delivered to the electric grid to a third party.

16 (6) The benefiting account is a related nonprofit community  
17 education or health care facility.

18 (e) A benefiting account shall be billed on a monthly basis, as  
19 follows:

20 (1) For all electricity usage, the rate schedule applicable to the  
21 benefiting account shall be the rate schedule of the benefiting  
22 account, including any surcharge, exit fee, or other cost recovery  
23 mechanism, as determined by the Public Utilities Commission, to  
24 reimburse the Department of Water Resources for purchases of  
25 electricity, pursuant to Division 27 (commencing with Section  
26 80000) of the Water Code.

27 (2) The rate schedule for the benefiting account shall also  
28 provide credit for the generation component of the time-of-use  
29 rates for the electricity generated by the Pacific Union College  
30 Facility that is delivered to the electric grid. The generation  
31 component credited to the benefiting account may not include the  
32 surcharge, exit fee, or other cost recovery mechanism, as  
33 determined by the Public Utilities Commission, to reimburse the  
34 Department of Water Resources for purchases of electricity,  
35 pursuant to Division 27 (commencing with Section 80000) of the  
36 Water Code.

37 (3) If in any billing cycle, the charge pursuant to paragraph (1)  
38 for electricity usage exceeds the billing credit pursuant to  
39 paragraph (2), Pacific Union College shall be charged for the  
40 difference.

1 ~~(4) If in any billing cycle, the billing credit pursuant to~~  
2 ~~paragraph (2), exceeds the charge for electricity usage pursuant to~~  
3 ~~paragraph (1), the difference shall be carried forward as a credit to~~  
4 ~~the next billing cycle.~~

5 ~~(5) After the electricity usage charge pursuant to paragraph (1)~~  
6 ~~and the credit pursuant to paragraph (2) are determined for the last~~  
7 ~~billing cycle of a calendar year, any remaining credit resulting~~  
8 ~~from the application of this section shall be reset to zero.~~

9 ~~(d) Not more frequently than once per year, and upon providing~~  
10 ~~Pacific Gas and Electric Company with a minimum of 60 days~~  
11 ~~notice, Pacific Union College may elect to change a benefiting~~  
12 ~~account. Any credit resulting from the application of this section~~  
13 ~~earned prior to the change in a benefiting account that has not been~~  
14 ~~used as of the date of the change in the benefit account, shall be~~  
15 ~~applied, and may only be applied, to a benefiting account as~~  
16 ~~changed.~~

17 ~~(e) Pacific Gas and Electric Company shall file an advice letter~~  
18 ~~with the Public Utilities Commission, that complies with this~~  
19 ~~section, not later than January 11, 2004, proposing a rate tariff for~~  
20 ~~a benefiting account. The commission, within 30 days of the date~~  
21 ~~of filing, shall approve the proposed tariff, or specify conforming~~  
22 ~~changes to be made by Pacific Gas and Electric Company to be~~  
23 ~~filed in a new advice letter.~~

24 ~~(f) Pacific Union College may terminate its election pursuant~~  
25 ~~to subdivision (b), upon providing Pacific Gas and Electric~~  
26 ~~Company with a minimum of 60 days notice. If Pacific Union~~  
27 ~~College sells its interest in the Pacific Union College Facility, or~~  
28 ~~sells the electricity generated by the Pacific Union College~~  
29 ~~Facility, in a manner other than required by this section, upon the~~  
30 ~~date of either event, and the earliest date if both events occur, no~~  
31 ~~further bill credit pursuant to paragraph (2) of subdivision (b) may~~  
32 ~~be earned. Only credit earned prior to that date shall be made to a~~  
33 ~~benefiting account.~~

34 ~~(g) The Legislature finds and declares that credit for a~~  
35 ~~benefiting account for the electricity output from the Pacific Union~~  
36 ~~College Facility is in the public interest in order to allow a~~  
37 ~~nonprofit education institution located in a rural area subject to~~  
38 ~~power distribution capacity constraints, including power~~  
39 ~~curtailments during peak periods and inclement weather, to~~  
40 ~~replace an inefficient energy source with a clean, adequately sized~~

~~combined heat and power cogeneration facility and credit excess power to its affiliated community public education or health facilities. Because~~

*SECTION 1. The Legislature finds and declares all of the following:*

*(a) Concerns have been raised about the quality of electric service provided by the Pacific Gas & Electric Company to rural areas of northern Napa County, in particular the area surrounding the Pacific Union College.*

*(b) While the Pacific Union College has agreed to be served under an interruptible electric service tariff, the college believes that it has been subject to an unreasonable number of interruptions in excess of those permitted by the tariff.*

*(c) The Pacific Union College believes that these service interruptions could have been avoided if Pacific Gas & Electric Company made improvements to its electric distribution system.*

*(d) The Pacific Union College is considering installation of its own natural-gas fueled electric generation equipment as a way of ensuring reliable electric service.*

*SEC. 2. The Public Utilities Commission shall require Pacific Gas & Electric Company to perform a reliability study on the electric service provided to the Pacific Union College and surrounding areas. If the Public Utilities Commission determines, based on that study, that the electric service quality fails to meet existing service quality standards, it shall order Pacific Gas & Electric Company to make timely and appropriate system upgrades.*

*SEC. 3. Because of the unique circumstances applicable only to the Pacific Union College Facility, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.*

~~*(h) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.*~~

~~*SEC. 2.*~~

*SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or*

1 infraction, eliminates a crime or infraction, or changes the penalty  
2 for a crime or infraction, within the meaning of Section 17556 of  
3 the Government Code, or changes the definition of a crime within  
4 the meaning of Section 6 of Article XIII B of the California  
5 Constitution.

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